

Good morning. Thank you for providing me with this opportunity to present my 2007 budget to you today.

I would like to take a moment to thank County Board Chair Jim Dwyer, Finance Committee Chair Pat Haukoil, and the other committee chairs that took time out of their busy schedules to sit in budget preparation meetings with my staff. This was the first time ever that some of them participated in this capacity, and I truly believe that it was important to the process.

I would also like to thank the department heads, elected officials, budget staff and other key personnel that worked so hard to help us meet some tough budget targets. I have been thoroughly impressed with their dedication, skill and competence.

## Executive Budget Outcomes



- Lowers taxes
- Limits spending
- Focuses on efficiency
- Maintains essential service levels
- Emphases strategic partnerships
- Demonstrates commitment to infrastructure

2007 Executive Budget

I am very excited to present my 1<sup>st</sup> budget to you, and I am proud to announce that it effectively lowers taxes and that the average homeowner will see a decrease in the County portion of their property tax bill.

You might ask how we were able to lower taxes. We lowered taxes by limiting spending, focusing on efficiencies, and developing, and in some cases, enhancing strategic partnerships.

Many people think that lowering taxes means cutting services, but I want to assure you that this budget maintains service levels and makes justice and public safety my top priority, along with protecting at-risk and vulnerable citizens.

It also demonstrates my commitment to our infrastructure, which helps fuel economic expansion and contributes to our significant growth in equalized value.

## Tax Reduction for Homeowners



If the 2007 Executive Budget is passed as proposed,  
the average homeowner will see a reduction  
in their County property taxes.

<u>Budget Year</u>	<u>Average Home Value</u>	<u>Rate/\$1,000</u>	<u>Tax</u>
2006:	\$256,700	\$1.96	\$504
2007:	\$273,200	\$1.83	\$500

2007 Executive Budget

As you already know, there is lots of debate about the best way to measure tax performance. I believe that your neighbors and my neighbors compare last year's tax bill with this year's tax bill.

That being said, if my budget is passed as proposed, the average Waukesha County taxpayer will see a reduction in their County property taxes, and it will provide homeowners with the most significant tax decrease since there has been a County Executive form of government in Waukesha County.

## [ Upholds Pledge to Taxpayers ]



- As an author of the 3-year Republican Tax Freeze, controlling government spending and real property tax relief has been my top priority
- While running for this office, I pledged to reduce the tax burden and would not stop until Waukesha County's taxes were the lowest in the State
- This budget effectively lowers the tax burden for our residents and ranks us 71 out of 72 counties in the State with the lowest property tax rate

2007 Executive Budget

Many of you know that while serving in the State legislature, I was an author of the Republican Tax Freeze, which was designed to control government spending and provide real property tax relief.

While running for County Executive, I pledged that I would reduce the tax burden for the people of Waukesha County and would not stop until Waukesha County's taxes were the lowest in the State.

Not only does my budget fall under the Republican Tax Freeze, but it's twice as rigorous. In addition to lowering taxes, the budget moves us further in the direction of having the lowest tax rate in the great State of Wisconsin.

## Budget Drivers



- **Personnel Cost-to-Continue:**
  - Health insurance cost increase of 6.7% (below national average)
- **Energy Costs:**
  - 9.5% increase in electricity
  - 14.5% increase in natural gas
  - 16% increase in vehicle fuel
- **Association of Public-Safety Communications Officials Study:**
  - Communications Center enhancements
- **Federal & State Revenue Impacts:**
  - Health & Human Services: Net Federal reductions of \$250K
  - Federal Child Support Grant reduction
  - Register of Deeds: Net revenue increase of \$195K

2007 Executive Budget

Whether you are in the public or the private sector, there are some costs that can be extremely difficult to manage. For instance, rising costs for healthcare have a significant budgetary impact on many organizations and groups of people. I am happy to announce that even though Waukesha County's health insurance costs will increase by 6.7% next year, this increase is well below the national average and has been accomplished by instituting co-pays, deductibles, wellness programming and preventive care strategies.

It is hard for me to imagine that there are residents in our great County that have not been burdened by rising energy costs. As we tighten our family budgets to pay our utility bills and to put gas in our cars, government must do the same. Next year, we expect a 9.5% increase in electricity and a 14.5% increase in natural gas. And even though we've all been at the gas pump lately and have been pleasantly surprised by lower gas prices, we are predicting that Waukesha County government will realize a vehicle fuel increase of 16% in 2007.

This budget makes justice and public safety my top priority. In order to do so, I believe that we must continue to make operational enhancements at the Communications Center as recommended by the Association of Public-Safety Communications Officials study and this budget calls for just that.

In addition, Federal and State revenue impacts will effect this budget. The Department of Health & Human Services will see a \$250,000 reduction in Federal funds and the Federal Child Support Grant will be reduced. However, the Register of Deeds Office will see a \$175,000 revenue increase from new development in the area.

## Tax Dollar Spending by Functional Area



2006-2007 TAX LEVY BY FUNCTION	2006 Adopted Budget	2007 Proposed Budget	Increase/(Decrease) from 2006 Adopted Budget	
			\$	%
Justice & Public Safety *	\$32,820,664	\$33,891,035	\$ 1,070,371	3.3%
Health & Human Services	\$21,245,589	\$21,870,606	\$ 625,017	2.9%
Public Works *	\$ 9,229,201	\$ 9,351,993	\$ 122,792	1.3%
Parks, Environment, Education & Land Use	\$ 8,154,473	\$ 8,061,629	\$ (92,844)	-1.1%
General Administration/Non-Departmental	\$ 2,883,455	\$ 2,628,422	\$ (255,033)	-8.8%
Capital Projects/Debt Service	\$15,839,014	\$15,527,876	\$ (311,138)	-2.0%
<b>TOTAL TAX LEVY</b>	<b>\$90,172,396</b>	<b>\$91,331,561</b>	<b>\$ 1,159,165</b>	<b>1.3%</b>

\* 2006 Adopted Levy has been restated for comparative purposes due to program shifts in the 2007 proposed budget.

2007 Executive Budget

This chart clearly demonstrates how our tax dollars are spent by functional area.

As you can see, justice and public safety is my top priority. But, the heart and soul of this budget cuts our administrative overhead. My administration worked tirelessly to prioritize spending and reduce administrative costs, and General Administration and Non-Departmental tax levy support have decreased by 8.8%.

## New Budget Priorities



- **Staffing:**
  - 4 new dispatchers at the Communications Center
  - Additional staffing at the Jail per the consultant's recommended staffing levels
  - Reassigning a Health & Human Services position to increase the Public Health Division's emphasis on emergency preparedness
- **Long-term commitment to Criminal Justice Collaborating Council**
- **Coordination of a Ride-Line pilot program to increase opportunities for specialized transportation users to get into the community on weekends**
- **Implement streaming audio technology via the Internet to provide the public with greater access to County Board proceedings**

2007 Executive Budget

Once again, starting with justice and public safety, this budget calls for 4 new dispatchers at the Communications Center. Since all wireless calls in the County come to the dispatch center and about 80% of the calls received are from wireless phones, I believe that the addition of the 4 new dispatchers will help us better manage the call volume and will help make the center the best dispatch service provider in the State. In addition to new positions at the Communications Center, the part year positions at the Jail will be fully funded next year per the consultant's recommended staffing levels. I believe that this will help ensure safety and security at the Jail. This budget also reassigns a Department of Health & Human Services position to increase the Public Health Division's emphasis on emergency preparedness and contingency management.

Other new priorities include my long-term commitment to the Criminal Justice Collaborating Council and the coordination of a Ride-Line pilot program to increase opportunities for specialized transportation users to get into the community on weekends, which I indicated was a priority while campaigning for this position.

In a few short weeks, Waukesha County will be tightening security at the Courthouse. To maintain our commitment to open government, I am proposing a plan that would provide the public with greater access to County Board meetings through live streaming audio over the Internet. It is my hope that the County Board will work with my administration to implement this important service so that our residents can listen to your important proceedings.

## Budget Savings



- **Staffing:**
  - Abolishing 1.5 positions by merging the Risk Management and Purchasing Divisions
  - Eliminating 1 position in Parks & Land Use
  - Eliminating 1 position in Health & Human Services
- **Efficiencies:**
  - Installing Light Emitting Diodes (LED) traffic signals
  - Expanding housekeeping contract with an outside vendor to include the Public Health facility
- **Restricting Sheriff's staff from taking home County vehicles**
- **Work with the State to shift priorities and capitalize on the State Highway Maintenance formula**

2007 Executive Budget

To reduce the tax burden for our residents, we were forced to make a number of tough decisions and that's exactly what we did.

If the County would have done "business as usual," our inflationary cost to continue increase would have been \$3.3 million. Instead, I reduced it to \$1.1 million. In doing so, it was necessary to rethink our spending habits and change how we do business to bring about greater efficiencies and cost-savings.

With reference to staffing levels, this budget proposes abolishing 1.5 positions by merging the Risk Management and Purchasing Divisions, and eliminating 1 position in the Department of Parks & Land Use and 1 in the Department of Health & Human Services.

This budget also seeks to implement a number of efficiencies, like installing LED traffic signals, which is estimated to save us \$20,000 a year in electricity costs, and privatizing housekeeping services at the Public Health facility, which expands our contract with an outside vendor and is expected to save us 20%.

I would like to thank the Sheriff for his help with this budget, which will reduce the number of Sheriff's department take-home vehicles.

Road maintenance can be a very costly undertaking. In order to better manage road projects, this budget proposes working with the State to shift priorities and capitalize on the State Highway Maintenance formula.



## County Budget in \$ Millions



### EXPENDITURES

Operating Budget:	\$235.8
Capital Budget:	18.6
<b>TOTAL:</b>	<b>\$254.4</b>

### REVENUES

Total County Revenues:	\$153.1
Fund Balance:	10.0
Tax Levy (includes Library):	91.3
<b>TOTAL:</b>	<b>\$254.4</b>

2007 Executive Budget

Here are the budget numbers. As you can see, this is a balanced budget.

## 2006 Employees per Capita Comparison of Similar Counties



County	Population	Number of Employees *	Employees per Capita per Thousand
Brown	242,733	1,576	6.5
Dane	464,424	2,101	4.5
Kenosha	159,638	1,001	6.3
Milwaukee	936,498	6,023	6.4
Racine	194,580	1,137	5.8
<b>Waukesha</b>	<b>379,577</b>	<b>1,402</b>	<b>3.7</b>
* The number of employees pertains to full-time equivalents.			

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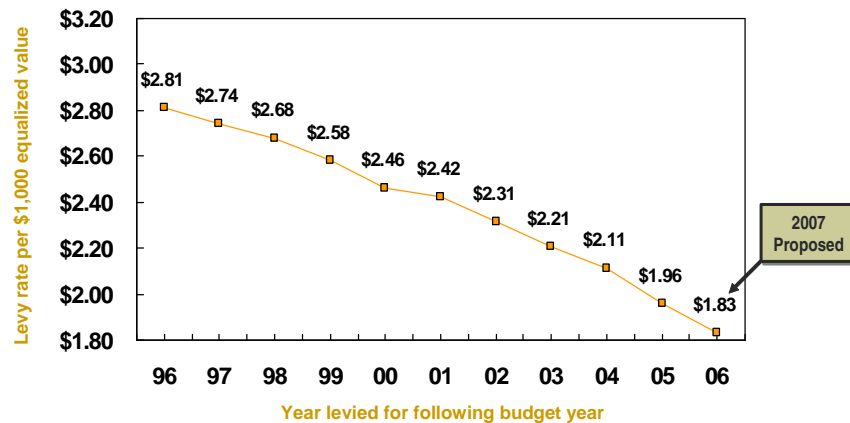
Compared with other counties, Waukesha County has significantly fewer employees per 1,000 residents than other counties.

Wisconsin is generally considered a high-public service State. To efficiently deliver the services that residents desire, effective use of public employees is necessary.

I believe that Waukesha County is perfectly positioned to handle its extensive workload and service demand with its existing staff levels, and where necessary, we are adjusting staffing needs to help focus on our priorities, like justice and public safety, of course.

## Levy Rate

Budget Years 1995 – 2006



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This slide effectively demonstrates that Waukesha County's tax levy rate is declining.

If passed in its entirety, my 2007 proposed budget would provide our residents with the lowest tax rate in a generation!

## 2006 County Property Tax Rates



TOP 5 COUNTIES		
County	Rank	Tax Rate (a)
Menominee	1	\$8.83
Clark	2	\$7.33
* Jackson	3	\$7.33
* Taylor	4	\$7.30
* Lafayette	5	\$7.16

BOTTOM 5 COUNTIES		
County	Rank	Tax Rate (a)
* Dane	68	\$2.38
* Oneida	69	\$2.25
* Vilas	70	\$1.98
<b>Waukesha</b>	<b>71</b>	<b>\$1.96</b>
* Ozaukee	72	\$1.86

a) Property tax rates shown include library system and other special taxing authorities  
 \* County has enacted 0.5% Sales Tax Increase

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This data compares Waukesha County's property tax rate with the top 5 and bottom 5 counties. I am proud to announce that this year Waukesha County ranked 71-out of-72 counties in the State for having the lowest tax rate.

When looking at this slide, though, it is important to note that the other 4 counties that we share this honor with have a County-imposed sales tax. Waukesha County does not and should not have a county sales tax.

I am confident that my budget will help us keep this impressive ranking and we will hold our place as Wisconsin's "Low Tax" leader.

## 2006 Comparative Property Tax Rates Of Contiguous Counties

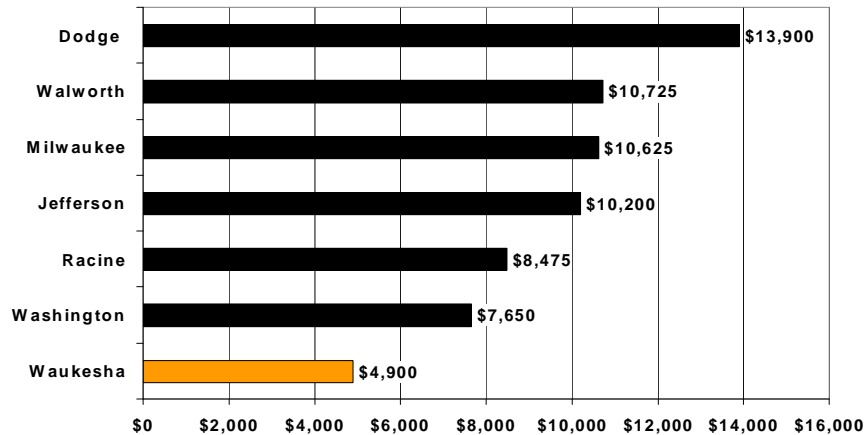


2007 Executive Budget

When comparing property tax rates, it is always important to look at it from a regional perspective so that we know how we stack-up against our neighbors.

As you can see from this table, Waukesha County has the lowest property tax rate in the 7 contiguous county area. For example, a Milwaukee County resident could own 2 homes in Waukesha County and pay less County taxes on both properties than what they pay for one just to the east of us.

## 2006 Comparative County Property Tax On \$2.5 Million Business Property



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This slide further illustrates our tax advantage. In Waukesha County, a \$2.5 million business property will pay \$4,900 in County property taxes, whereas a business of the same value will pay more than \$10,500 in Milwaukee County and nearly \$14,000 in Dodge County.

What does this mean? Waukesha County's open for business! Our county property taxes help us recruit new businesses and retain our diverse business base.

## Regional Cooperation



- UW-Extension to share a horticultural and agricultural agent with Jefferson County and to provide joint trainings on other initiatives with Milwaukee, Racine and Kenosha Counties
- Medical Examiner's Office to provide services for Washington County under contract.
- Department of Parks & Land Use continues to participate in a regional water study and is working with municipal leaders and dog advocate groups to establish a dog exercise area at Minooka Park.
- Information Technology Division to share services with Milwaukee and Racine Counties.
- Emergency Management Office to provide services for Ozaukee County under contract.

2007 Executive Budget

I firmly believe that partnerships are some of the best ways to improve service quality while reducing costs, and my administration has been working vigorously on developing partnerships that enhance our service offerings and generate new revenue streams.

Some of these cooperative partnerships include UW-Extension's sharing of a horticultural and agricultural agent with Jefferson County and working with Milwaukee, Racine and Kenosha Counties to provide joint community-based trainings on a variety of issues.

The Medical Examiner's Office has been providing medical examiner and coroner services to Racine County for some time and now will be providing those same services to Washington County.

The Department of Parks & Land Use continues to participate and fund a regional water study and is working with the City of Waukesha, the City of New Berlin and the Waukesha Kennel Club to establish an often requested dog exercise area at Minooka Park.

The Information Technology Division is working hard to share services with Milwaukee and Racine Counties.

And last but not least, the Emergency Management Office is working to provide emergency government services for Ozaukee County residents under contract.

## Conclusion



- Thank you for the opportunity to present my 2007 Executive Budget

2007 Executive Budget

As you review the details of my budget, you will find that:

- It is the most significant tax decrease since the County has had a County Executive form of government,
- It maintains essential services, and
- It emphasizes strategic partnerships.

People were looking for me to FREEZE their county property tax bill...AND THIS BUDGET LOWERS IT!

Thank you.